

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: This bill, which shall be known and may be  
9 cited as The 21st Century Workforce Act, would  
10 authorize the Alabama Public School and College  
11 Authority to sell and issue up to fifty million  
12 dollars (\$50,000,000) in aggregate principal amount  
13 of Bonds in addition to all other bonds previously  
14 issued by the Authority for the purpose of  
15 providing funds for career and technical education  
16 equipment for local boards of education.

17 This bill also authorizes the Authority to  
18 provide for the details of the bonds and for the  
19 terms of the sale thereof; and to make an  
20 appropriation and pledge for payment of the  
21 principal of and interest on the Bonds of proceeds  
22 from specific excise taxes and other specific and  
23 dedicated appropriations to the extent necessary to  
24 pay the principal and interest at their respective  
25 maturities; to authorize the Authority to pledge  
26 for payment of the principal of and interest on the  
27 Bonds the monies so appropriated and pledged; to

1 provide for the investment of funds by the State  
2 Treasurer; to provide that the Bonds shall be  
3 limited obligations of the Authority payable solely  
4 out of the funds so appropriated and pledged so  
5 that the Bonds will not create a debt or obligation  
6 of the State; to provide that the Bonds and the  
7 income therefrom shall be exempt from taxation in  
8 this State and the Bonds may be used to secure  
9 deposits of funds of this State and its political  
10 subdivisions, instrumentalities, and agencies, and  
11 for investment of fiduciary funds; to authorize the  
12 Authority to establish procedures and requirements  
13 to ensure compliance with the tax covenants with  
14 which the Authority must comply; to exempt the  
15 bonds from the usury laws of this State; to  
16 authorize the issuance of Refunding Bonds by the  
17 Authority and give details of such refunding; to  
18 provide for the employment of attorneys, fiscal  
19 advisors, trustees, paying agents, investment  
20 bankers, banks and underwriters and for the payment  
21 of all expenses incurred in the issuance of the  
22 Bonds; to provide that after payment of the  
23 expenses of the issuance of the Bonds the proceeds  
24 from the sale thereof shall be disbursed on orders  
25 or warrants issued by or under the direction of the  
26 Authority for the purposes for which the Bonds are  
27 authorized to be issued; to provide for the timely

1 expenditure of the proceeds from the sale of the  
2 Bonds; to provide that if any portion of this act  
3 shall be held invalid such holding shall not affect  
4 the validity of any other portion thereof; and to  
5 authorize the Authority to reimburse the Building  
6 Commission, the Department of Finance, and the  
7 State Treasurer's Office for costs incurred in  
8 providing services for the Authority.

9  
10 A BILL

11 TO BE ENTITLED

12 AN ACT

13  
14 To provide for The 21st Century Workforce Act; to  
15 authorize the Alabama Public School and College Authority to  
16 sell and issue up to fifty million dollars (\$50,000,000) in  
17 aggregate principal amount of additional bonds to provide  
18 funds for career and technical education equipment for local  
19 boards of education; to authorize the Authority to provide for  
20 the details of the bonds and the sale and issuance thereof; to  
21 make an appropriation and pledge for payment of the principal  
22 of and interest on the Bonds from specific taxes necessary to  
23 pay the principal and interest at their respective maturities;  
24 to authorize the Authority to pledge for payment of the  
25 principal of and interest on the Bonds the funds that are  
26 appropriated and pledged; to provide for the investment of  
27 funds by the State Treasurer; to provide that the bonds not

1 constitute a debt of the State but shall be limited  
2 obligations payable out of the funds appropriated and pledged  
3 therefor; to provide that the Bonds and the income therefrom  
4 shall be exempt from taxation in this State and that the Bonds  
5 may be used to secure deposits of funds of this State and its  
6 political subdivisions, instrumentalities, and agencies, and  
7 for investment of fiduciary funds; to authorize the Authority  
8 to establish procedures and requirements to ensure compliance  
9 with tax covenants with which the Authority must comply; to  
10 exempt the bonds from the usury laws of the State; to  
11 authorize the Authority to issue Refunding Bonds and give  
12 details of such refunding; to provide for the employment of  
13 attorneys, fiscal advisors, trustees, paying agents,  
14 investment bankers, banks and underwriters and for the payment  
15 of all expenses incurred in the issuance of the Bonds; to  
16 provide that after payment of the expenses of the issuance of  
17 the bonds the proceeds from the sale thereof shall be  
18 disbursed on orders or warrants issued by or under the  
19 direction of the Authority for the purposes for which the  
20 Bonds are authorized to be issued; to provide for the timely  
21 expenditure of the proceeds from the sale of the bonds; to  
22 provide that if any portion of this act should be held invalid  
23 such holding shall not affect the validity of any other  
24 portion thereof; and to authorize the Authority to reimburse  
25 the Building Commission, the Department of Finance, and the  
26 State Treasurer's Office for costs incurred in providing  
27 services for the Authority.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. This act shall be known as The 21st  
3 Century Workforce Act. Wherever used in this act, the  
4 following terms shall have the following meanings  
5 respectively, unless the context clearly indicates otherwise:

6 (1) 1965 Act. Act No. 243 enacted at the 1965 First  
7 Special Session of the Legislature, codified as Title 16,  
8 Chapter 16, Code of Alabama 1975.

9 (2) 1971 Acts. Act No. 94 enacted at the 1971 First  
10 Special Session of the Legislature, Act No. 2428 enacted at  
11 the 1971 Regular Session of the Legislature, and Act No. 56  
12 enacted at the 1971 Second Special Session of the Legislature.

13 (3) 1973 Act. Act No. 1277 enacted at the 1973  
14 Regular Session of the Legislature as amended by Act No. 73  
15 enacted at the 1975 Third Special Session of the Legislature  
16 and Act No. 1223 enacted at the 1975 Regular Session of the  
17 Legislature.

18 (4) 1978 Act. Act No. 138 enacted at the 1978 Second  
19 Special Session of the Legislature, as amended by Act No.  
20 79-41 enacted at the 1979 Special Session of the Legislature  
21 and Act No. 81-827 enacted at the 1981 Regular Session of the  
22 Legislature.

23 (5) 1985 Act. Act No. 85-943 enacted at the 1985  
24 Second Special Session of the Legislature.

25 (6) 1990 Act. Act No. 90-280 enacted at the 1990  
26 Regular Session of the Legislature.

1 (7) 1995 Act. Act No. 95-752 enacted at the 1995  
2 Regular Session of the Legislature.

3 (8) 1998 Act. Act No. 98-373 enacted at the 1998  
4 Regular Session of the Legislature.

5 (9) AUTHORITY. The Public School and College  
6 Authority.

7 (10) ACCELERATE ALABAMA PLAN. The plan developed by  
8 the Economic Development Partnership of Alabama (EDPA).

9 (11) BONDS. Except where that word is used with  
10 reference to bonds issued under another act, those bonds,  
11 other than Refunding Bonds, issued under the provisions of  
12 this act.

13 (12) CAPITAL IMPROVEMENT. Capital outlay projects  
14 that include the planning, designing, inspection, purchasing,  
15 construction, reconstruction, enlargement, improvement,  
16 repair, or renovation of permanent buildings containing  
17 classrooms, offices, libraries, laboratories, clinical or  
18 teaching facilities, dormitories, vocational and professional  
19 and industrial training facilities, research facilities,  
20 academic structures to reduce portable classrooms or  
21 substandard classroom facilities, related improvements and  
22 land as sites therefor, together with furnishings and  
23 equipment required for the operation of the facilities and the  
24 programs provided therein.

25 (13) CAREER AND TECHNICAL EDUCATION. Education that  
26 prepares youth (K-12) and adults for careers as related to  
27 industry needs in jobs that may not require a college degree.

1 (14) COMMISSION. The Building Commission created by  
2 Section 41-9-140, Code of Alabama 1975, and its successors as  
3 the State agency for awarding construction contracts and  
4 supervising construction.

5 (15) DEPARTMENT. Alabama Department of Education.

6 (16) GOVERNMENT SECURITIES. Any bonds or other  
7 obligations which as to principal and interest constitute  
8 direct obligations of, or are unconditionally guaranteed by,  
9 the United States of America, including obligations of any  
10 federal agency to the extent such obligations are  
11 unconditionally guaranteed by the United States of America and  
12 any certificates or any other evidences of an ownership  
13 interest in such obligations of, or unconditionally guaranteed  
14 by, the United States of America or in specified portions  
15 thereof (which may consist of the principal thereof or the  
16 interest thereon).

17 (17) LEGISLATURE. The Legislature of Alabama.

18 (18) PERMITTED INVESTMENTS. (i) Government  
19 Securities; (ii) bonds, debentures, notes, or other evidences  
20 of indebtedness issued by any of the following agencies: Bank  
21 for Cooperatives; Federal Intermediate Credit Banks; Federal  
22 Financing Bank; Federal Home Loan Banks; Federal Farm Credit  
23 Bank; Export-Import Bank of the United States; Federal Land  
24 Banks; or Farmers Home Administration or any other agency or  
25 corporation which has been or may hereafter be created by or  
26 pursuant to an act of the Congress of the United States as an  
27 agency or instrumentality thereof; (iii) bonds, notes, pass

1 through securities, or other evidences of indebtedness of  
2 Government National Mortgage Association and participation  
3 certificates of Federal Home Loan Mortgage Corporation; (iv)  
4 full faith and credit obligations of any state, provided that  
5 at the time of purchase such obligations are rated at least  
6 "AA" by Standard & Poor's Ratings Group and at least "Aa" by  
7 Moody's Investors Service; (v) public housing bonds issued by  
8 public agencies or municipalities and fully secured as to the  
9 payment of both principal and interest by contracts with the  
10 United States of America, or temporary notes, preliminary  
11 notes, or project notes issued by public agencies or  
12 municipalities, in each case fully secured as to the payment  
13 to both principal and interest by a requisition or payment  
14 agreement with the United States of America; (vi) time  
15 deposits evidenced by certificates of deposit issued by banks  
16 or savings and loan associations which are members of the  
17 Federal Deposit Insurance Corporation, provided that, to the  
18 extent such time deposits are not covered by federal deposit  
19 insurance, such time deposits (including interest thereon) are  
20 fully secured by a pledge of obligations described in clauses  
21 (i), (ii), (iii), and (v) above, which at all times have a  
22 market value not less than the amount of such bank time  
23 deposits required to be so secured and which meet the greater  
24 of 100 percent collateralization or the "AA" collateral levels  
25 established by Standard & Poor's Ratings Group for structured  
26 financings; (vii) repurchase agreements for obligations of the  
27 type specified in clauses (i), (ii), (iii), and (v) above,



1 provided such repurchase agreements are fully collateralized  
2 and secured by such obligations which have a market value at  
3 least equal to the purchase price of such repurchase  
4 agreements which are held by a depository satisfactory to the  
5 State Treasurer in such manner as may be required to provide a  
6 perfected security interest in such obligations, and which  
7 meet the greater of 100 percent collateralization or the "AA"  
8 collateral levels established by Standard & Poor's Ratings  
9 Group for structured financings; and (viii) uncollateralized  
10 investment agreements with, or certificates of deposit issued  
11 by, banks or bank holding companies, the senior long-term  
12 securities of which are rated at least "AA" by Standard &  
13 Poor's Ratings Group and at least "Aa" by Moody's Investors  
14 Service.

15 (19) REGIONAL WORKFORCE DATA. Economic data  
16 assessing current and anticipated jobs requiring workforce  
17 readiness skills compiled for each of the 10 workforce regions  
18 in Alabama by the Department of Labor and other entities.

19 (20) REFUNDING BONDS. Those Refunding Bonds issued  
20 under the provisions of this act.

21 (21) STATE. The State of Alabama.

22 (22) TRUST FUND. The Education Trust Fund, formerly  
23 designated as the Alabama Special Educational Trust Fund, the  
24 name of which was changed to the Education Trust Fund,  
25 effective October 1, 1996, pursuant to Act No. 95-264 enacted  
26 at the 1995 Regular Session of the Legislature.

1                   (23) WORKFORCE READY SKILLS. Academic and  
2 employability skills, providing opportunities to students for  
3 preparation and assessment, and connecting with business and  
4 industry.

5                   Nouns and pronouns when used in this act shall be  
6 deemed to include both singular and plural and all applicable  
7 genders.

8                   Section 2. The purpose of this act is to provide new  
9 equipment purchases for career and technical education  
10 programs in local boards of education in order to ensure that  
11 programs meet current business and industry standards to  
12 provide students with the training and skills necessary to  
13 provide a workforce for new, existing, or expanding jobs.

14                  Section 3. The Legislature finds that the number of  
15 students receiving Alabama Secondary Workforce Development  
16 training will need to increase if alignment of industry  
17 training is expected to meet the needs of each workforce  
18 region based on industry sectors and regional workforce data.  
19 Workforce development training begins in secondary schools  
20 where a need for current industry defined equipment is  
21 critical to meet the training defined by industry in a 21st  
22 century training environment.

23                  Section 4. (a) The Authority is hereby authorized to  
24 sell and issue its bonds in the aggregate principal amount of  
25 up to fifty million dollars (\$50,000,000) to provide funds for  
26 career and technical education equipment for local boards of  
27 education. The Bonds authorized in this act to be issued by

1 the Authority shall be in addition to all other bonds  
2 previously authorized to be issued by the Authority, and the  
3 powers conferred on the Authority by this act are in addition  
4 to all other powers heretofore conferred on the Authority by  
5 acts heretofore enacted by the Legislature.

6 (b) Proceeds from the sale of the Bonds and the  
7 earnings thereon shall be paid out from time to time on orders  
8 or warrants issued by or at the direction of the Authority to  
9 provide equipment for career and technical education programs  
10 in order to meet industry standards by utilizing needs  
11 assessments provided by local education agencies (LEAs) that  
12 reference industry developed equipment lists. Program  
13 offerings will be determined based upon regional workforce  
14 data utilizing the Accelerate Alabama Plan and identifying  
15 local program needs as they relate to addressing industry  
16 skills, gaps and needs. Specifically, the proceeds from the  
17 sale of the Bonds and the earnings thereof shall be  
18 distributed to the State Department of Education to be  
19 allocated as follows:

20 (1) Ten million dollars (\$10,000,000) to be  
21 allocated to each local board of education, pro rata, based on  
22 the number of Career Technical Education units operating in  
23 each local board of education during the 2012-2013 school  
24 year;

25 (2) Twenty million dollars (\$20,000,000) to be  
26 allocated to each local board of education, pro rata, based on  
27 the number of students in each local board of education's

1 Career Technical Education program during the 2012-2013 school  
2 year; and

3 (3) Twenty million dollars (\$20,000,000) to be  
4 allocated to the 21st Century Workforce Fund created in  
5 subsection (c).

6 (c) (1) There is hereby created the 21st Century  
7 Workforce Fund. Twenty million dollars (\$20,000,000) from the  
8 first series of Bonds issued pursuant to this act shall be  
9 deposited into the fund. Distributions from the fund may only  
10 be made by the 21st Century Workforce Grant Committee created  
11 in subsection (c) (2).

12 (2) There is hereby created the 21st Century  
13 Workforce Grant Committee. The Committee shall be made up of  
14 the State Superintendent of Education, who shall serve as  
15 Chair of the Committee; the Secretary of Commerce, who shall  
16 serve as Vice-Chair of the Committee; the Director of the  
17 Alabama Industrial Development Training Institute; the  
18 Director of the State Department of Education's Office of  
19 Career Technical Education and Workforce Development; and one  
20 member, appointed by the Governor, who serves on the  
21 Governor's College and Career Ready Task Force. The Committee  
22 shall allocate funds deposited into the 21st Century Workforce  
23 Fund, but only to provide equipment for career and technical  
24 education programs in order for those programs to meet  
25 industry standards, as determined by needs assessments  
26 provided by local education agencies that reference industry  
27 developed equipment lists. Authorized allocations from the

1 21st Century Workforce Fund will be determined by the  
2 Committee based upon regional workforce data utilizing the  
3 Accelerate Alabama Plan and identifying local program needs as  
4 they relate to addressing industry skills, gaps and needs.

5 (3) Local education agencies applying for grants  
6 from the Committee shall make application to members of the  
7 Committee on a form or in a format prescribed by the Chair of  
8 the Committee. Upon the deposit of monies into the 21st  
9 Century Workforce Fund, the Committee shall meet at least  
10 quarterly to consider grant applications. Meetings of the  
11 Committee shall be called by the Chair or the Vice-Chair.  
12 Three members of the Committee shall constitute a quorum and  
13 three members of the Committee must be present and vote  
14 affirmatively for the approval of any grant application.  
15 Meetings of the Committee shall be open to the public and  
16 notice of such meetings shall comply with all applicable open  
17 records and open meetings laws.

18 (4) Within 10 calendar days after the Committee  
19 authorizes any distributions from the Fund, the Chair of the  
20 Committee shall report to the Governor, the Lieutenant  
21 Governor, the Speaker of the House of Representatives, the  
22 Senate President Pro Tempore, the Chair of the House Ways and  
23 Means - Education Committee and the Chair of the Senate  
24 Finance and Taxation - Education Committee the recipient of  
25 each distribution, the amount allocated to each recipient, and  
26 the purpose of each allocation.

1                   Section 5. The Bonds shall be signed by the  
2                   president or vice-president of the Authority and the seal of  
3                   the Authority shall be affixed thereto (or a facsimile thereof  
4                   imprinted thereon) and attested by its secretary. All  
5                   signatures of the president, vice president, and secretary may  
6                   be facsimile signatures if the Authority, in its proceedings  
7                   with respect to issuance, provides for manual authentication  
8                   (which may be in the form of a certificate as to registration)  
9                   of the bonds by a trustee, registrar, or paying agent or by  
10                  named individuals who are employees of the State and who are  
11                  assigned to the Finance Department or State Treasurer's  
12                  Office. All bonds bearing signatures or facsimiles of the  
13                  signatures of officers of the Authority in office on the date  
14                  of signing thereof shall be valid and binding notwithstanding  
15                  that before the delivery thereof and payment therefor, any  
16                  officer whose signature appears thereon shall have ceased to  
17                  be an officer of the Authority. The Bonds and the income  
18                  therefrom shall be exempt from all taxation in the State of  
19                  Alabama, may be used as security for deposits, and shall be  
20                  eligible for investments of fiduciary funds, as provided in  
21                  the 1965 Act. The Bonds shall be construed to have all the  
22                  qualities and incidents of negotiable instruments subject to  
23                  any registration provisions pertaining to transfers. The  
24                  Authority and the Bonds shall be exempt from all laws of the  
25                  state governing usury including, without limitation, the  
26                  provisions of Title 8, Chapter 8, Code of Alabama 1975, or any  
27                  subsequent statute of similar import. The Bonds shall be in

1 such form or forms and denomination or denominations and of  
2 such tenor and maturities, shall bear such rate or rates of  
3 interest payable and evidenced in such manner, may be made  
4 subject to redemption prior to their maturities, and may  
5 contain provisions not inconsistent with this act, all as may  
6 be provided by the resolution of the Authority under which the  
7 Bonds may be issued; provided, that no Bonds shall have a  
8 specified maturity date later than twenty years after their  
9 date; and provided further, that those Bonds having maturities  
10 more than ten years after their date shall be subject to  
11 redemption at the option of the Authority on any date on and  
12 after the tenth anniversary after their date at such  
13 redemption price or prices and under such conditions as may be  
14 prescribed in the proceedings of the Authority under which  
15 they are issued. For the purpose of paying the principal of,  
16 premium, if any, and interest on the bonds or any Refunding  
17 Bonds, the Authority shall designate the State Treasurer or  
18 such bank or banks as the Authority, in its discretion,  
19 determines to be appropriate and desirable. Funds for the  
20 payment of debt service shall be transferred by the Authority  
21 or the State Treasurer on behalf of the Authority to the  
22 designated paying agent on the actual due date of such  
23 principal, premium, if any, or interest.

24 Section 6. The bonds may be sold by the Authority  
25 from time to time in series, and if sold in more than one  
26 series, may all be authorized in one initial resolution of the  
27 Authority with the pledges therefor made by the Authority in

1 such initial resolution although some of the details  
2 applicable to each series may be specified in the respective  
3 resolutions under which the different series are issued. The  
4 Authority, in the course of establishing, by resolution, a  
5 principal amount of bonds to be authorized for sale at any  
6 given time, or to be sold in any series, may take into account  
7 the existence of any unexpended proceeds of prior issues of  
8 bonds of the Authority (and of any other issuer, if such  
9 should be deemed by the Authority to be relevant), and may  
10 structure the portions of the allocations provided for in  
11 Section 10 of this act to be distributed from the proceeds of  
12 a particular series (constituting less than all the bonds  
13 authorized by this act) as the Authority deems necessary or  
14 prudent in order to enable the Authority to comply with any  
15 tax covenants that may be required of it, or that may be  
16 deemed by it to be prudent to be given by it, in connection  
17 with the sale of any series of the Bonds. Each series of the  
18 bonds shall be sold at competitive bid and at such price or  
19 prices and at such time or times as the Authority may consider  
20 advantageous. Bonds sold by competitive bid must be sold to  
21 the bidder whose bid reflects the lowest effective borrowing  
22 cost to the Authority on the series of the bonds being sold;  
23 provided, that if no bid acceptable to the Authority is  
24 received it may reject all bids. Notice or summary notice of  
25 each such sale by competitive bids shall be given by  
26 publication in either a financial journal or a financial  
27 newspaper published in the City of New York, New York, and



1 also by publication in a newspaper published in the State  
2 which is customarily published not less often than five days  
3 during each calendar week, each of which notices must be  
4 published at least one time not less than ten days prior to  
5 the date fixed for the sale or, in the event no bid acceptable  
6 to the Authority is received at any such sale and the bonds so  
7 offered are thereafter reoffered on the same terms and  
8 conditions, not less than five days prior to the date fixed  
9 for sale. The Authority may fix the method and the terms and  
10 conditions under which the sale of any series of the Bonds may  
11 otherwise be held; provided, that the terms and conditions  
12 shall not conflict with any requirement of this act. Approval  
13 by the Governor of Alabama of the terms and conditions under  
14 which any Bonds may be issued shall be requisite to their  
15 validity. Before any series of the Bonds shall be offered for  
16 sale by the Authority, the Governor shall first determine that  
17 the issuance of that series of Bonds and the application of  
18 the taxes pledged to the payment of the principal of the Bonds  
19 as they mature and interest thereon as the same shall come due  
20 will not impair the adequacy of the Trust Fund to pay  
21 appropriations therefrom and to support the public schools and  
22 institutions of higher learning during the period over which  
23 the Bonds will mature. The Governor's determination shall be  
24 in writing signed by the Governor and that determination shall  
25 be final and conclusive. Neither a public hearing nor consent  
26 of the State Department of Finance or any other department or

1 agency shall be a prerequisite to the issuance of any of the  
2 Bonds.

3 Section 7. For the purpose of providing for payment  
4 of the principal of, premium, if any, and interest on the  
5 Bonds and to accomplish the objectives of this act, there is  
6 hereby irrevocably pledged to those purposes, and hereby  
7 appropriated, such amount as may be necessary therefor from  
8 the following sources:

9 (a) The residue of the receipts from the excise tax  
10 ("the utility gross receipts tax") levied by Title 40, Chapter  
11 21, Article 3, Code of Alabama 1975, as amended ("Article 3"),  
12 remaining after payment of the expenses of administration and  
13 enforcement of Article 3, being that portion of the tax that  
14 is required by Article 3 to be deposited in the State Treasury  
15 to the credit of the trust fund, after there shall have been  
16 taken from the residue the amount necessary to pay at their  
17 respective maturities the principal of and interest on those  
18 Bonds issued by the Authority under the 1965 Act, 1971 Acts,  
19 the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the  
20 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002  
21 Act, the 2003 Act, or this Act that may be outstanding at the  
22 time of the delivery of the respective series of the Bonds  
23 authorized herein;

24 (b) The residue of the receipts from the excise tax  
25 ("the utility service use tax") levied by Title 40, Chapter  
26 21, Article 4, Code of Alabama 1975 ("Article 4"), remaining  
27 after payment of the expenses of administration and

1 enforcement of Article 4, being that portion of the tax that  
2 is required by Article 4 to be deposited in the State Treasury  
3 to the credit of the trust fund, after there shall have been  
4 taken from the residue the amount necessary to pay at their  
5 respective maturities the principal of and interest on those  
6 Bonds issued by the Authority under the 1965 Act, the 1971  
7 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act,  
8 the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the  
9 2002 Act, the 2003 Act, or this Act that may be outstanding at  
10 the time of the delivery of the respective series of the bonds  
11 authorized herein;

12 (c) To the extent and to the extent only that the  
13 revenues appropriated in the foregoing subsections (a) and (b)  
14 of this Section may not be sufficient to pay at their  
15 respective maturities the principal of, premium, if any, and  
16 interest on the Bonds, the residue of the receipts from the  
17 excise tax ("the sales tax") levied by Title 40, Chapter 23,  
18 Article 1, Division 1, Code of Alabama 1975, as amended  
19 ("Article 1"), after there shall have been taken from the  
20 residue the amounts appropriated for other educational  
21 purposes in Section 40-23-35, Code of Alabama 1975 (which  
22 residue constitutes that portion of the receipts from the  
23 sales tax that is now required by law to be paid into the  
24 Trust Fund), and after there shall have been taken from the  
25 residue amounts sufficient to meet all prior charges on the  
26 residue including such amounts as may be necessary to pay at  
27 their respective maturities the principal of and interest on

1 those bonds issued by the Authority under the 1965 Act, the  
2 1971 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990  
3 Act, the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act,  
4 the 2002 Act, the 2003 Act, or this Act that may be  
5 outstanding at the time of the delivery of the respective  
6 series of the Bonds authorized herein; and

7 (d) To the extent and to the extent only that the  
8 revenues appropriated in the foregoing subsections (a), (b),  
9 and (c) of this Section may not be sufficient to pay at their  
10 respective maturities the principal of, premium, if any, and  
11 the interest on the Bonds, the residue of the receipts from  
12 the excise tax ("the use tax") levied by Title 40, Chapter 23,  
13 Article 2, Code of Alabama 1975, as amended ("Article 2"),  
14 after there shall have been taken from the residue the amount  
15 necessary to meet the expenses of the State Department of  
16 Revenue in collecting the use tax (which residue constitutes  
17 that portion of the receipts from the use tax that is now  
18 required by law to be paid into the Trust Fund), and after  
19 there shall have been taken from the residue such amounts as  
20 may be necessary to meet all prior charges on the use tax  
21 including the amounts sufficient to pay at their respective  
22 maturities the principal of and interest on those outstanding  
23 bonds referred to in subsection (c) of this Section.

24 (e) All monies hereby appropriated and pledged shall  
25 constitute a sinking fund for the purpose of paying the  
26 principal of, premium, if any, and interest on the bonds. The  
27 State Treasurer is authorized and directed to pay at their

1        respective maturities the principal of, premium, if any, and  
2        interest on the Bonds out of this fund and out of the residues  
3        of the tax receipts herein appropriated and pledged for the  
4        benefit of the Bonds, and is further authorized and directed  
5        to set up and maintain appropriate records pertaining thereto.

6                Section 8. The Bonds shall not be general  
7        obligations of the Authority but shall be limited obligations  
8        payable solely out of the residues of the tax receipts  
9        appropriated and pledged in Section 7. All bonds issued by the  
10       Authority pursuant to the provisions of this act shall be  
11       solely and exclusively obligations of the Authority and shall  
12       not constitute or create an obligation or debt of the State.  
13       As security for the payment of the principal of, premium, if  
14       any, and interest on the Bonds, the Authority is hereby  
15       authorized and empowered to pledge the residues of the tax  
16       receipts that are appropriated and pledged in Section 7 hereof  
17       for such purposes. All such pledges made by the Authority  
18       shall take precedence in the order of the adoption of the  
19       resolutions containing the pledges. All such pledges shall be  
20       prior and superior to any pledges that may be made for any  
21       Refunding Bonds hereafter issued by the Authority under the  
22       provisions of any of the 1965 Act, the 1971 Acts, the 1973  
23       Act, the 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act,  
24       the 1998 Act, the 1999 Act, the 2001 Act, the Act 2002, the  
25       2003 Act or any other act heretofore enacted.

26                Section 9. For the purpose of refunding any Bonds or  
27       Refunding Bonds of the Authority issued under the provisions

1 of this act, the 1965 Act, the 1971 Acts, the 1973 Act, the  
2 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act, the 1998  
3 Act, the 1999 Act, the 2001 Act, the 2002 Act, the 2003 Act or  
4 any other act previously enacted, or any combination thereof,  
5 whether such refunding shall occur before, at or after the  
6 maturity of the Bonds refunded and for the purpose of paying  
7 all premiums and expenses of the refunding (including, but not  
8 limited to, attorneys' fees, costs of printing the Refunding  
9 Bonds, fiscal agents' fees, and accountants' fees), the  
10 Authority is hereby authorized to sell and issue its Refunding  
11 Bonds. Such Refunding Bonds may be sold and issued from time  
12 to time, at public sale, on sealed bids and on such other  
13 terms and conditions as the Authority shall determine to be  
14 advantageous and shall adopt and provide for in its  
15 proceedings for the sale and issuance of such Refunding Bonds.  
16 Provided, however, that no Refunding Bonds shall be issued  
17 unless the present value of all debt service on the Refunding  
18 Bonds (computed with a discount rate equal to the true  
19 interest rate of the Refunding Bonds and taking into account  
20 all underwriting discount and other issuance expenses) shall  
21 not be greater than 97 percent of the present value of all  
22 debt service on the Bonds to be refunded (computed using the  
23 same discount rate and taking into account the underwriting  
24 discount and other issuance expenses originally applicable to  
25 such Bonds) determined as if such Bonds to be refunded were  
26 paid and retired in accordance with the schedule of maturities  
27 (considering mandatory redemption as scheduled maturity)

1 provided at the time of their issuance. Provided further that  
2 the average maturity of the Refunding Bonds, as measured from  
3 the date of issuance of such Refunding Bonds, shall not exceed  
4 by more than three years the average maturity of the bonds to  
5 be refunded, as also measured from such date of issuance, with  
6 the average maturity of any principal amount of Bonds to be  
7 determined by multiplying the principal of each maturity by  
8 the number of years (including any fractional part of a year)  
9 intervening between such date of issuance and each such  
10 maturity, taking the sum of all such products, and then  
11 dividing such sum by the aggregate principal amount of Bonds  
12 for which the average maturity is to be determined. For the  
13 purpose of providing funds to enable the Authority to pay at  
14 their respective maturities the principal of, premium, if any,  
15 and interest on the Refunding Bonds issued under this act, the  
16 Authority is hereby authorized to pledge irrevocably for such  
17 purpose, and there is hereby appropriated for such purpose,  
18 such amount as may be necessary of the residues of the  
19 receipts from the excise taxes pledged and appropriated in  
20 subsections (a), (b), (c), and (d) of Section 7 of this act,  
21 any reserves or sinking funds established by the Authority, as  
22 well as revenues of the Authority from any other sources  
23 specified in the proceedings wherein the Refunding Bonds are  
24 authorized to be issued. Pending the application of the  
25 proceeds of Refunding Bonds issued in accordance with this  
26 Section, the proceeds, together with investment earnings  
27 therefrom, and amounts in any sinking fund, together with

1 investment earnings thereon, may be held by the State  
2 Treasurer as treasurer of the Authority in trust, or may be  
3 deposited by the State Treasurer in trust, on such terms as  
4 the State Treasurer and the Authority shall approve, with a  
5 trustee or escrow agent, which trustee or escrow agent shall  
6 be a banking institution or trust company authorized to  
7 exercise trust powers in Alabama, for investment in Permitted  
8 Investments. Proceeds of Refunding Bonds shall be so invested  
9 and applied as to assure that the principal, interest, and  
10 redemption premium, if any, on the Bonds being refunded shall  
11 be paid in full on the respective maturity, redemption, or  
12 interest payment dates. Refunding Bonds issued by the  
13 Authority shall not be general obligations of the Authority  
14 but shall be payable solely from the sources specified in this  
15 act and in the proceedings whereby the Refunding Bonds are  
16 authorized to be issued. All Refunding Bonds issued by the  
17 Authority shall be solely and exclusively obligations of the  
18 Authority and shall not create debts of the State of Alabama.  
19 The faith and credit of the State of Alabama shall never be  
20 pledged for the payment of any Refunding Bonds issued by the  
21 Authority under this act. The Authority may contract with  
22 respect to the safekeeping and application of the Refunding  
23 Bonds and other funds included therewith and the income  
24 therefrom which may be any bank or trust company authorized to  
25 exercise trust powers and located within and/or without the  
26 State. All other provisions of this act shall apply to the  
27 Refunding Bonds issued hereunder except (a) the limitation



1 contained in Section 4 of this act on the amount of bonds that  
2 may be issued under this act and (b) the provisions of Section  
3 10 of this act. All pledges made by this act or by the  
4 Authority pursuant to the provisions of this act, for the  
5 benefit of Refunding Bonds issued under this act, and all such  
6 pledges for the benefit of Refunding Bonds which may be issued  
7 to refund any bonds issued under any of the 1965 Act, the 1971  
8 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act,  
9 the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the  
10 2002 Act, the 2003 Act, or this Act, shall take precedence in  
11 the order of the adoption of the resolutions authorizing the  
12 issuance of such Refunding Bonds. Bonds refunded prior to  
13 their maturity with the proceeds of Refunding Bonds shall be  
14 deemed paid and the pledges herein and by the Authority made  
15 for the payment thereof defeased if the Authority, in its  
16 proceedings regarding issuance of the Refunding Bonds shall  
17 provide for and establishes a trust or escrow fund comprised  
18 of monies or Government Securities, or both, sufficient to  
19 pay, when due, the entire principal of, premium, if any, and  
20 interest on the Bonds to be refunded thereby; provided, that  
21 such Government Securities shall not be subject to redemption  
22 prior to their maturities other than at the option of the  
23 holder thereof. Upon the establishment of such a trust or  
24 escrow fund, the Refunded Bonds shall no longer be deemed to  
25 be outstanding, shall no longer be secured by the funds  
26 pledged therefore in Section 7 of this act, shall no longer be  
27 obligations of the Authority and shall be secured solely by

1 and payable from monies and Government Securities deposited in  
2 such trust or escrow fund.

3 Section 10. (a) The proceeds derived from each sale  
4 of the Bonds issued pursuant to this act shall be deposited  
5 into the State Treasury and shall be carried in a separate  
6 fund therein for the account of the Authority, which shall pay  
7 the expenses of issuance therefrom. The expenses of issuance  
8 of the Bonds shall be prorated among the recipients of the  
9 proceeds from the sale of the Bonds in the same proportions as  
10 the allocations received of the proceeds thereunder. The  
11 proceeds from the sale of the Bonds remaining after payment of  
12 the expenses of issuance thereof shall be retained in the  
13 funds and, until they are paid out, shall be invested by the  
14 State Treasurer at the direction of the Authority in Permitted  
15 Investments maturing at such time or times as the Authority  
16 shall direct.

17 (b) Proceeds from the sale of the Bonds and the  
18 earnings thereon shall be paid out from time to time on orders  
19 or warrants issued by or at the discretion of the Authority  
20 for the purposes specified in this act.

21 Section 11. Not later than three years following  
22 allocation of Bond proceeds as provided herein, the Authority  
23 shall review the status of any unexpended allocations, and, at  
24 its sole discretion, determine if unexpended allocations or  
25 any portion thereof shall revert to the Authority.

26 Section 12. Notwithstanding any of the foregoing and  
27 in addition to all powers heretofore granted to the Authority,

1 the Authority is hereby expressly authorized to use the  
2 proceeds derived from the sale of Bonds and income on  
3 Permitted Investments in accordance with the provisions of  
4 this act. Additionally, the Authority is hereby expressly  
5 permitted to pay to the Department of Finance and the State  
6 Treasurer's Office, from time to time and from any funds  
7 available to the Authority, amounts to offset costs incurred  
8 in the administration of the business of the Authority. The  
9 cost of such compensation shall be prorated among the  
10 recipients of proceeds of the Bonds in the same manner as the  
11 expenses of issuance of the Bonds are required hereby to be  
12 prorated.

13 Section 13. The Authority shall hire or contract  
14 with businesses or individuals which reflect the racial and  
15 ethnic diversity of the State.

16 Section 14. The Authority shall have the power to  
17 make such payments to the United States of America as the  
18 board of directors of the Authority deems necessary to cause  
19 the interest on any bonds of the Authority, including the  
20 Bonds, to be and remain exempt from, or excludible from gross  
21 income for purposes of, federal income taxation. The Authority  
22 shall have the power to make such agreements respecting the  
23 investment of funds of the Authority as the Authority shall  
24 deem necessary in order that the interest income on bonds of  
25 the Authority be and remain exempt from, or excludible from  
26 gross income for purposes of, federal income taxation.

1           Section 15. The Authority is authorized to pay out  
2 of proceeds of any series of Bonds the costs and expenses  
3 incurred in connection with the issuance of such Bonds,  
4 including without limitation legal and accounting fees and  
5 expenses, fees and expenses of any financial or fiscal advisor  
6 employed by the Authority, printing costs, rating agency fees,  
7 and premiums or charges for any credit enhancement or  
8 liquidity providers. Notwithstanding any provision of this act  
9 or the 1965 Act, in appointing, employing, or contracting with  
10 attorneys, fiscal advisors, trustees, paying agents,  
11 investment bankers, banks and underwriters, the Authority may  
12 appoint, employ, or contract with firms whose principal  
13 offices are located without and/or within Alabama. The  
14 Authority shall hire or contract with attorneys, fiscal  
15 advisors, trustees, paying agents, investment bankers, banks  
16 and underwriters which shall reflect the racial and ethnic  
17 diversity of the state. The Authority shall issue Requests for  
18 Proposals for attorneys, fiscal advisors, trustees, paying  
19 agents, investment bankers, banks and underwriters. The  
20 Authority shall evaluate each proposed bid publicly and award  
21 each contract publicly. Minutes of the Authority's meeting  
22 shall record the reasons for awarding each contract.

23           Section 16. In the event any section, sentence,  
24 clause or provision of this act shall be declared invalid by a  
25 court of competent jurisdiction, such action shall not affect  
26 the validity of the remaining sections, sentences, clauses, or  
27 provisions of this act, which shall continue effective.

1                   Section 17. This act shall become effective  
2 immediately following its passage and approval by the  
3 Governor, or its otherwise becoming law.